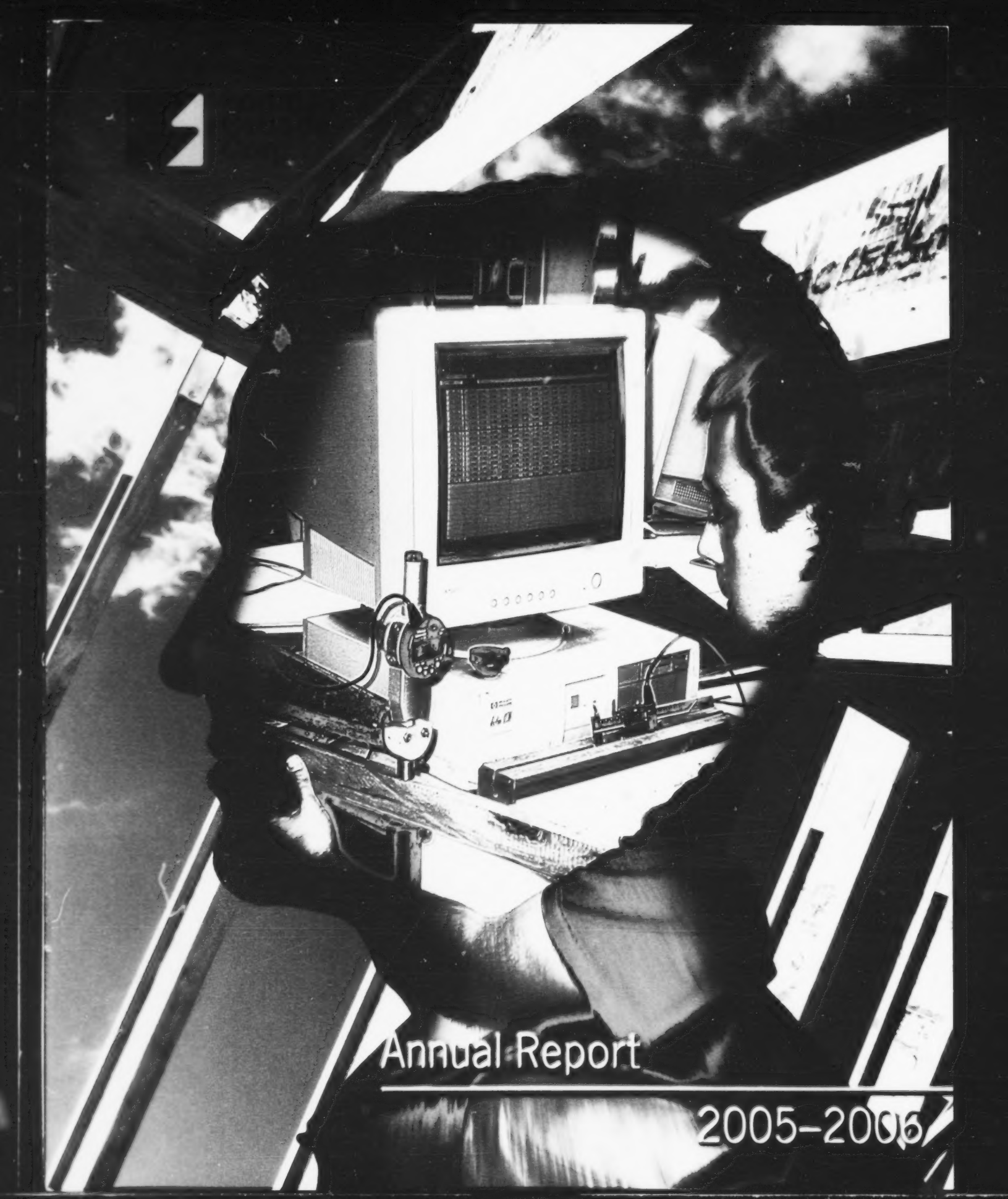

Annual Report

2005–2006

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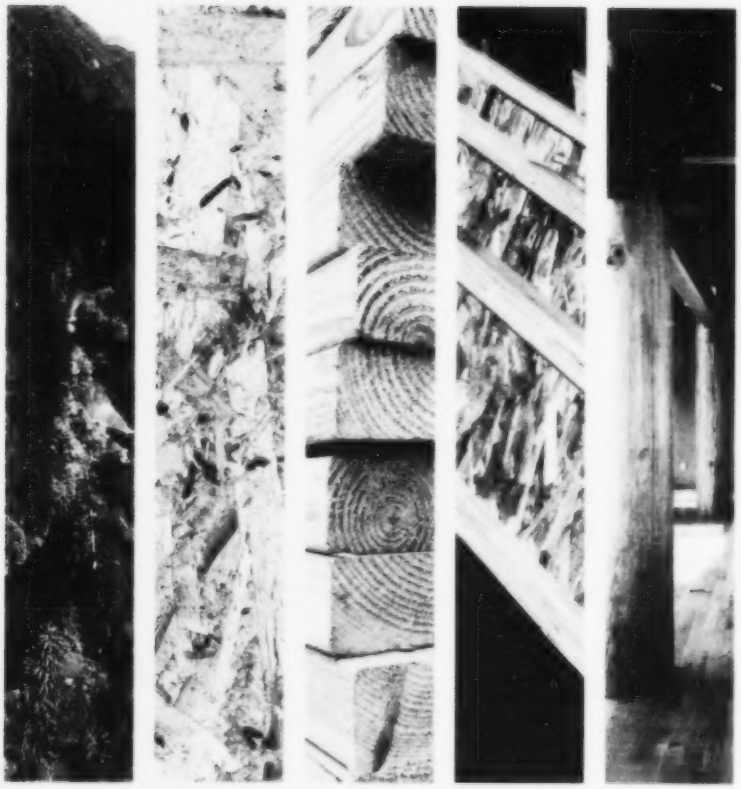


Forintek's mission is to develop scientific and technical knowledge, applications and solutions that will enhance the ongoing competitiveness of its members and the Canadian wood products sector.

Phil Latos
Board Chairman

Ian de la Roche
President & CEO

Joint Message from the Chairman and President

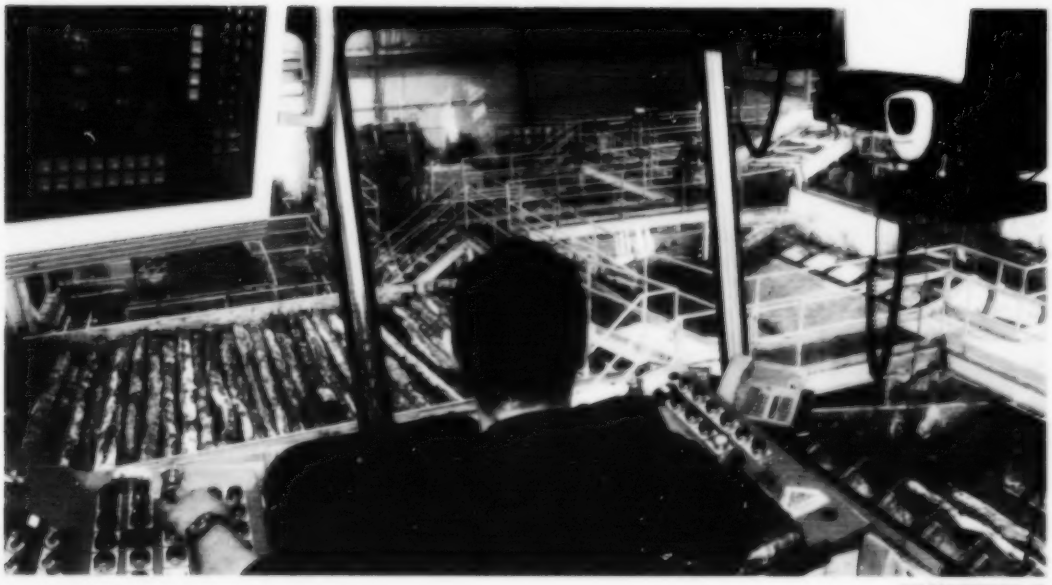
The overriding theme of the past year at Forintek has been building bridges with our research partners and building momentum toward greater recognition of the value of Canadian solid wood products in global markets.

We believe that given the natural structural attributes of our wood—the strong performance of our building systems particularly in areas prone to earthquakes, and our sustainable forest management practices—we have both a strong product and a strong sales message to deliver to the global market. It appears that a softwood lumber agreement with the United States has been agreed to in principle, although the details are yet to be worked out. However, work done in the past to make our industry more resilient, and the limits placed on us concerning our share of the American softwood market demand that we continue our quest to create greater efficiency among our producers and to build new opportunities in traditional and emerging markets.

This year brought challenges that fuelled more dialogue across all sectors of the forest industry while also encouraging a lot more out-of-the-box thinking. Many of our members have recognized a need for greater industry co-operation across product sectors and continued development of successful strategies that open up new markets to Canadian wood products and building systems.

The industry as a whole has come to realize that we are stronger by working together – not only by building a stronger value chain from the forest resource, through primary manufacturing, to secondary manufacturing and beyond, but also by creating more synergies among Canada's three national research institutes. Natural Resources Canada (NRCan) has provided leadership in this regard with the creation of its Fibre Centre. It should result in a stronger overall Canadian forest industry network by encouraging, whenever feasible, better communication, resource sharing, hosting of cooperative technology transfer events, and joint international marketing programs.

One of our major research priorities over the year was to investigate opportunities for cost reductions in commodity manufacturing.



Forintek is making a valuable contribution to these discussions because of our extensive experience with pooling resources, finding synergies and leveraging both funds and talent to maximize return on investment for our members.

The fact that we have such broad representation among our nearly 300 members in an organization that functions efficiently and effectively has helped to build a template for greater connectivity throughout the Canadian forest industry. Our membership includes the federal government, nine provincial governments, primary producers, secondary producers, suppliers to the industry, and now the Yukon Territory. The industry is looking to Forintek for guidance because of the consistent value we have delivered to our members for over 25 years.

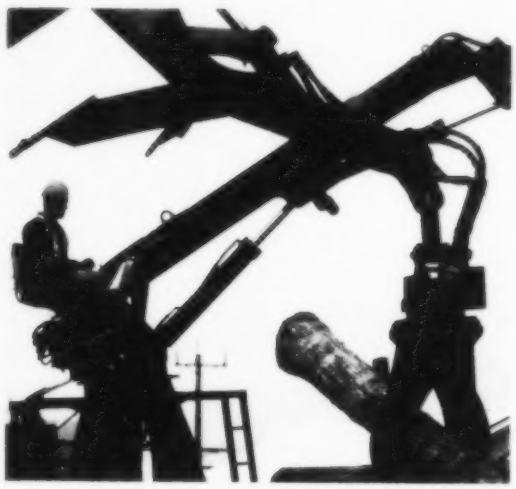
While Forintek has a diverse membership base, we've maintained a strong research and technology transfer focus on lumber manufacturing and building systems. Over 60 percent of our $13.6 million National Research Program (NRP) budget was earmarked for these areas over the past year. Dedicated funding such as NRCan's *Value to Wood* program, supplemented by financial support from the provinces, has also helped Forintek build its technical support capacity to secondary manufacturers as demonstrated by our national network of 40 Industry Advisors. Partnerships, like our consortium agreement with the Alberta Research Council, have helped to keep us on the cutting edge of composite panel research, which represents the next largest portion of the NRP.

One of our major research priorities over the year was to investigate opportunities for cost reductions in commodity manufacturing. For example, our industry members have recognized that hundreds of millions of dollars are being lost annually with every percentage point of deviation from sawmill design objectives. So Forintek was pleased to unveil a major new sawmill optimizing tool called Smart Mill Assistant.

It is a real-time diagnostic tool that provides sawmill supervisors with early warning of equipment failure or process deviation. It should help to minimize downtime and improve reaction time with an appropriate response.

Also, one of Forintek's commercial partners, Westmill™ Industries, began to roll out our patented veneer moisture detection technology to industry. Veneer mills can expect to save between $750,000 and $1.5 million annually by installing this system. Overall, our composites group had a banner year, transferring some of our highest impact optimizing tools to industry ever.

Our BC members face specific challenges related to the Mountain Pine Beetle (MPB) epidemic.



Mountain pine beetle salvage wood is sorted and processed at a log home plant

Forintek is actively involved with our sister organizations, Paprican and Feric, in the Mountain Pine Beetle Initiative. This initiative is a six-year $40 million program administered by NRCan through the Canadian Forest Service. In addition, several of the 22 studies completed to date were funded by Forestry Innovation Investment Ltd. These studies were aimed at debunking myths about bluestained lumber generated from MPB-infested logs and at providing solutions to industry to address specific log processing issues.

The long-term investment our members have made in the development of Forintek's expertise in the drafting of building codes and standards has really started to pay dividends. What's become evident over the past year is that our advanced knowledge of wood building performance as it relates to earthquakes, fire, wind, mold, and even insects, and our ability to help other nations develop their own building codes around these superior standards, is playing a key role in developing market opportunities. Forintek was part of the Canadian team that participated in the first meeting of the Joint Technical Committee on Wood Construction Fire Safety and Engineering with our Chinese counterparts last fall. South Korea also approved a new building code allowing greater use of North American style wood-frame construction.

We participated in missions to both the tsunami-ravaged area of Indonesia and the earthquake-devastated area of Pakistan to investigate how the wood industry might help in the reconstruction

Forintek examined ways in which the Canadian wood industry could help in the reconstruction effort after the devastating tsunami in Indonesia

effort. These missions were organized and funded by BC's Forestry Innovation Investment Ltd. to visit with government officials, aid agencies and purveyors of forest products. What developed were opportunities in both these non-traditional wood markets to help with reconstruction and to educate local builders so they can build affordable, efficient and durable housing using wood instead of their more traditional competing construction materials. Indonesia has asked for a quote for 10,000 housing packages based on 10 demonstration homes, supplied as ready-to-assemble packages from four BC-based companies. The 10 homes were assembled in an Indonesian village using local labor under Canadian contractor guidance. Pakistan represents a significant opportunity for hybrid construction, particularly for our manufacturers of wooden roof trusses.

Recognizing the momentum that has been building internationally regarding the growing recognition of Canadian buildings systems, Canada Mortgage and Housing Corporation has retained Forintek's services to help provide its International Training Team with the resources it needs to describe the benefits and reliability of the Canadian home building system to builders, architects, engineers and other decision makers in existing and potential new markets.

We've really just begun to investigate the full potential of greater wood use in the non-residential market, and this promises to be an exciting area of new market development over the coming years, involving both wood and hybrid construction. As usual, we are improving our knowledge of wood building performance in non-residential applications, and some of the research results are now being released to our members.

Forintek would not be the relevant organization that it is today without the consistently high level of member participation we achieve on our Advisory Committees, as well as your continuing financial support and encouragement.

It's been our pleasure to work with the well-qualified members of our Executive Committee, Board of Directors, management team, and staff over the past year. Thank you for your input and effort.

As we enter this new era of relative trade stability with our most important customer, we now have an opportunity to set our sights on loftier goals, secure in the knowledge that we are ready to compete wherever opportunities may unfold. We look to the coming year with great anticipation.

Phil Latos

Phil Latos
Board Chairman

Ian de la Roche

Ian de la Roche
President & CEO

Research Highlights

Forintek is recognized worldwide for its ability to move Canada's forest industry ahead technologically while at the same time fostering the global use of wood. It has become the place where both the primary and secondary solid wood industries come to vet new ideas, solve technical challenges, and improve their knowledge of market trends. Companies from 10 to 1000 employees recognize Forintek's value, which is reflected in the number of our long-term members.

We've gathered a team of highly skilled experts to do research related to resource assessment, lumber and composites manufacturing, building systems, value-added manufacturing, and market intelligence, to assist both the softwood and hardwood industries. They use some of the most advanced equipment available today, which is often capable of simulating actual, commercial manufacturing conditions. Once they complete their research, they transfer proven technology to our members through publications, reports, direct contact, seminars, workshops and annual events.

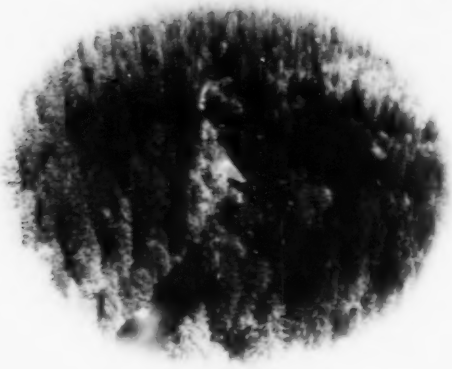
Forintek is actively involved in the Mountain Pine Beetle Initiative to ensure that our international trading partners have quality and accurate information about MPB-wood's attributes and that our industry gets the answers it needs to process MPB-affected timber to maximize recovery while maintaining quality.

The activities of Forintek's scientists, technical staff and industry advisors are enhanced through our alliances with FERIC and Paprican, the Alberta Research Council, universities, government researchers, industrial R & D divisions, and wood research organizations around the world.

Forintek's research program is member-driven. Our members set program goals through their participation on our National Research Program Committee and its Technical Advisory Committees. Our membership has grown to exceed 290 primary and secondary wood product manufacturers and suppliers; the federal government; BC, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Newfoundland, and Labrador; and the Yukon Territory.

The institute's research capability benefits both industry-at-large and individual members. The over 60 research projects completed annually are supplemented by 'common-good' agreements and contracts as well as company-specific proprietary contracts.

This *Annual Report* provides highlights from Forintek's research program over the past year. For a more detailed explanation of the goals, methodologies, and findings of individual research projects, please refer to this report's companion document, *Progress and Achievements 2005–2006*.



Resource Assessment Highlights

Forest companies are sharpening their focus on the needs of the end user. So having the ability to quickly access information related to the characteristics of their wood supply to implement fibre management decisions aimed at gaining maximum satisfaction from the end user is becoming more and more critical. It's also important to direct the right log to the right manufacturing facility to capture the highest value from a log, which can be challenging considering the variety of wood fibre properties in Canadian forests.

That was the primary focus of the Resource Assessment Program this year – to provide industry with new and improved tools to gather more detailed technical information about their wood baskets and to help them link their wood basket characteristics to manufacturing decisions. The program's main focus was on priority species like jack pine, black spruce, lodgepole pine and western hemlock, all aimed at helping companies make better decisions in this crucial first link of the value chain.

Moreover, this is the type of information that industry cannot find anywhere else, given Forintek's access to such advanced tools as Computed Tomography (CT) scanners, as well as top quality technical experts through our partnerships with other research organizations, government research and development departments and universities.

For example, we participated in a project funded and championed by Ontario's Living Legacy Trust, Tembec, the University of Quebec, Laval University, the University of New Brunswick, the Canadian Forest Service, and the Natural Science Engineering Research Council of Canada to develop an integrated decision-support system tool to link forest management with wood manufacturing for both jack pine and black spruce. This system will enable the forest industry to predict product recovery from wood supply, thereby gaining a competitive edge in global markets. Decisions within this system are based on the needs of end-users rather than on maximizing tree volume.

Furthermore, Forintek made significant progress toward the establishment of a comprehensive database of tree and log characteristics – relating zone, site, stand and tree data to end-use wood attributes for white spruce, western hemlock and lodgepole pine. In addition to traditional wood characterization methods, Forintek is developing software to automatically analyze the CT images of various log species to extract information about important properties such as: real shape, knot location, size and angle, pith position,

CT images of internal log characteristics add to Forintek's database for the benefit of researchers and industry members

heartwood content, holes, splits, checks and pitch pockets.

Having the ability to automatically analyze CT image data and virtually recreate whole tree stems will give industry baseline information on the value of incorporating internal defect recognition into bucking and sawing value optimization systems. The result should be better fibre recovery of more products valued by end-users.

Forintek also lent a hand to the hardwood sector by providing information to companies on how the maximize value through intensive silviculture and finding end-uses for all manufactured products.

We also conduct research related to non-traditional species. For example, this year we documented the potential of white birch for value-added production as an alternative to other traditional hardwood species.

Composite Highlights

Forintek's Composite Products Research Program has always shown a high degree of flow-through from input provided by industry at the Technical Advisory Committee level, to the laboratory, and eventually into Canada's composite board manufacturing plants. This year was no exception, with the transfer of some of our highest impact tools so far.

A patent was issued for a joint Forintek/Alberta Research Council (ARC) project to improve oriented strandboard (OSB) mat formation and strand orientation. The first mill installation of this technology occurred last year. Forintek's strategic alliance with ARC continued to pay important dividends with scientists from both organizations working toward increasing panel density uniformity through manipulation of strand geometry. Reduced panel density variation could result in improved product quality and manufacturing efficiency, as well as lower production costs. A one percent reduction of material for an OSB mill with an annual capacity of 500 MMsf on a 3/8-inch basis represents a saving of nearly $300,000.

Strand alignment is also one of the critical elements that determines the final properties of OSB. Forintek has improved upon its strand alignment monitoring system with a better calculation method and a more user-friendly computer interface. The system also ties in well with Forintek's capability of measuring fines. Reduction of fines has been identified as industry's number one priority because incorporation of fines in panels results in higher density variation. So over the past year, industry showed a lot of interest in installing this FCC-developed fines measurement system into several member mills. Forintek intends to commercialize this system and is currently holding discussions with potential partners.

Patents were also issued for a process of high level loading of borate into ligno-

On-line light scanner for green veneer MC sorting installed in a member mill

cellulose-based composites, as well as a method and system for producing a moisture content map for sorting green veneer using light transmission.

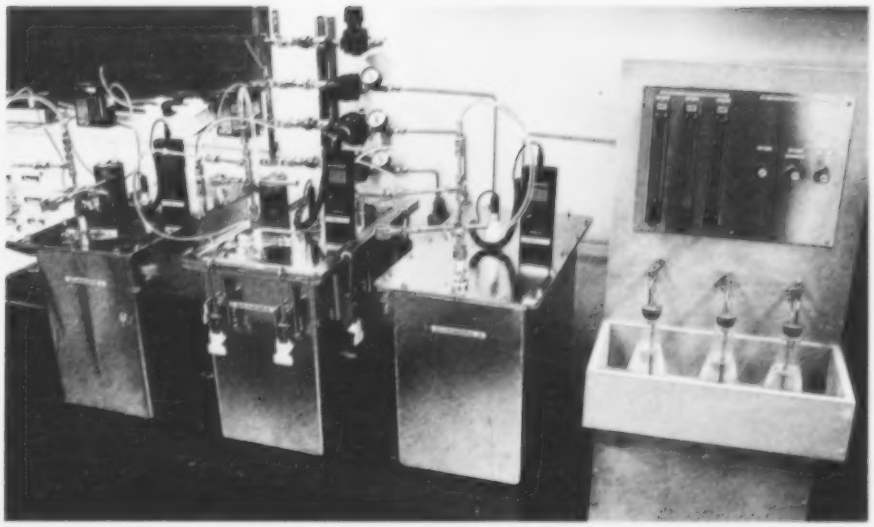
The first in-line demonstration of Forintek's revolutionary veneer moisture detection technology was held last fall at Richmond Plywood, and has been licensed for commercialization to Westmill™ Industries. A conservative estimate shows that deploying the technology could save veneer mills between $750,000 and $1.5 million per year. In addition to launching this new technology, Forintek's veneer group spent a considerable amount of time planning for the Second International Symposium on Veneer Processing and Products that it co-hosted in May, 2006.

Strand alignment is one of the critical elements that determines the final properties of OSB

Many of the confirmed presenters were among the most qualified and highly respected professionals working in the veneer products and manufacturing field today. The Symposium is the only one of its kind in the world that brings all elements in the veneer manufacturing process together.

Technology transfer of *VDry*, Forintek's advanced veneer drying computer program, to member plywood mills was extensive over the past year. It simulates veneer drying operations of typical industrial dryers and results in up to 10 percent improvement in drying productivity. The software was used in seven member mills to assess improvement opportunities in veneer sorting and drying.

The World Health Organization's (WHO) announcement that formaldehyde is a confirmed carcinogen to humans had a major influence on Forintek's particleboard and medium density fibreboard (MDF) programs over the past year. These wood composite panels which contain formaldehyde are often targeted for strict emission regulations or prohibited altogether. This despite the fact that this industry has reduced formaldehyde emissions of raw panels by more than 80% over the past 20 years, thereby actually minimizing indoor air contaminants. This year, about 50 samples of different finished and unfinished wood composite products were evaluated for formaldehyde and VOC emissions. Also, 30 finishing materials used by primary and secondary particleboard and MDF manufacturers were subjected to emissions testing in order to determine the most efficient barrier to eliminate, or at least reduce, formaldehyde and/or VOC emissions from their products. Results showed that a variety of surface finishes such as melamine paper, vinyl or powder coating could effectively



VOC micro chamber has proved a most effective tool in the evaluation of formaldehyde and other VOC emissions from new-generation adhesives for MDF and particleboard

reduce panel emissions by more than 90% when applied to MDF.

As a result of the WHO ruling on formaldehyde, Forintek launched a study to investigate phenolic (PF) resin as a suitable alternate bonding agent for MDF and particleboard. The technical challenge is to find a catalyst system that can increase press speed to match or exceed that of formaldehyde resin. Forintek is examining different esters to find a good catalyst system that could make PF resin an economically viable adhesive. If successful, MDF and particleboard manufacturers will be well positioned to address future legislative changes resulting from the WHO ruling on formaldehyde.

Forintek continued to assist OSB manufacturers with their desire to expand their market base beyond structural uses in building construction. One opportunity that could also help make Canada's upholstered furniture manufacturers more competitive is using cheaper, commodity-grade OSB instead of hardwood lumber for structural components. There is strong evidence that with design adjustments, OSB could be an effective structural substitute for hardwood. The research focus is now on developing methods and materials to fasten OSB components together, because conventional fastening methods such as staples and screws do not work well, particularly along the edges. Forintek's research shows that OSB offers a 10 to 20 percent cost reduction per structural component. Considering that there are as many as 40 structural component parts in one piece of furniture, that's a significant cost saving. OSB also offers higher usage as a raw material and better opportunities for automation of larger components.

To provide technology transfer and respond to enquiries, a number of Forintek's Industry Advisors (IAs) are in regular contact with our composite panel industry members.

Lumber Manufacturing Highlights

While Canada's lumber manufacturing industry faces many challenges, Forintek has played an important role to help industry remain competitive, as well as maintain and expand market share. More than a quarter of the institute's National Research Program budget is spent in this area and is aimed at helping industry reduce costs, improve processing efficiency and optimize end product attributes.

To ensure that funds are used to achieve maximum benefit to members, the program is divided into sawmilling, lumber drying and wood protection. Forintek is also able to provide research support in other areas requiring special attention, such as hardwood processing and the federal and provincial Mountain Pine Beetle programs.

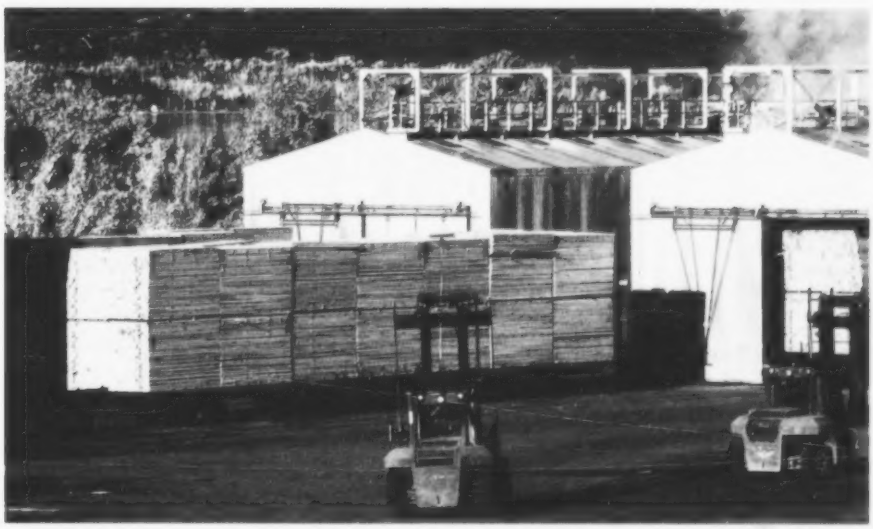
Forintek unveiled a major new sawmill optimizing tool called Smart Mill Assistant (SMA). Development of SMA was an industry priority because every percentage point of deviation from mill design objectives translates into annual industry losses exceeding a hundred million dollars. This tool complements the sawmill supervisor's ability to achieve mill design objectives and minimize production or process deviations. It is a real-time diagnostic tool that provides early warning of equipment failure or process deviation that should reduce reaction time, minimize down time, avoid over-reaction and reduce intervention. Savings achievable on primary breakdown alone have been estimated at $5 to $10/Mbf. Development of this intelligent mill-wide control system for lumber conversion shows Forintek's ability to pool resources to achieve a common objective. To develop SMA, we assembled a team that included an industry champion (Tembec Industries Inc.), an equipment manufacturer (Comact Optimization Inc.), and McMaster University, with financial support from Precarn and Forintek. It is being validated at Tembec's Taschereau mill, with initial use in the primary breakdown section. The system's final version will gather information from all machine centres.

Industry has recognized that greater optimization at the sawmill infeed through selection, sorting and bucking of logs, can deliver significant payback in fibre recovery and mill processing efficiency. Equipment manufacturers have responded by providing a variety of solutions. Recognizing the variety of selection now available, Forintek has made significant progress toward completing a study requested by the Lumber Technical Advisory Committee to evaluate different scanning technologies used for bucking optimizers. The study, which used simulations that compared photocell and 3-D based scanning systems, will help sawmills decide which system is best suited for their particular configuration.

Forintek has successfully developed a prototype that addresses the problem of errors in log rotation in the use of primary breakdown equipment. This breakthrough is important because previous studies showed that in a sawmill where the log rotation deviates 30 percent in either direction from optimum, the log recovery loss is between five and six percent. The Forintek prototype system measures log rotation in real-time, does not require the

application of a reference point or line on the log, does not need a clear view of the log end face during rotation, and has a compact design for easy installation to new and existing lines. Our scientists and engineers have refined the system to improve performance and accuracy, to the point where we are now looking to transfer the technology to interested equipment manufacturers and system integrators. Initial estimates show that this new system could reduce log rotation errors by 65 percent when compared to current equipment.

For some areas of Canada, processing small logs represents the future, and as the cant represents about 80 percent of the log, Forintek completed a study to see if optimizing secondary breakdown would result in better recovery. The study investigated the optimizing precision of three different types of scanners. Simulations showed that as much as a 10 percent yield gain could be achieved from the cant by optimizing the secondary breakdown unit, plus another five percent if curved sawing was used. Even though these gains are possible, the study emphasized that improving positioning systems and cant transport accuracy has to be the first step to enhancing the efficiency of optimized edgers.



Energy consumption during the drying operation is a concern for manufacturers

Energy consumption from kiln drying represents about 70 percent of all the energy used in the production of lumber, and Forintek's members requested the creation of an Energy and Environmental research focus area for inclusion in the institute's drying program. Its purpose is to specifically carry out research related to efficient energy use and to investigate how the burning of wood residuals often used to generate the heat needed for kiln drying will be viewed regarding the industry's Kyoto Accord compliance requirements.

We began distributing a new Forintek-designed and developed drying evaluation tool called DryTrend®. So far, there have been 12 installations with more on order. The tool was initially originated to help our scientists and technicians gain a better understanding of the drying process and its impact on product attributes and quality. Now, it is helping kiln operators make better day-to-day operational decisions. Forintek has spent considerable time and effort training operators in its use, showing them how to analyze individual kiln performance so they

Research has determined factors responsible for bluestain contamination at mill sites

can identify opportunities for improvements.

Another Forintek-invented drying optimization tool, Saptek™, is also gaining popularity with industry. Currently manufactured and sold by industry member, Autolog, there are 14 units in service in the Maritimes, Quebec, New Hampshire and Ontario. It is capable of sorting high moisture pieces like balsam fir from spruce and pine, resulting in more homogenous kiln loads, reduced downgrade, improved value recovery, and improved kiln utilization.

The effectiveness of using Manufacturing Execution Systems (MES) is well documented in other industries, yet it is not commonly used in the wood products industry. Forintek explored the potential of MES specifically for reducing the variability in the final moisture content of dry lumber. We also demonstrated how softwood lumber drying practices might be improved through the implementation of MES within facilities such as drying and planing mills.

In the wood protection area, Forintek was directly involved in discussions regarding a new standard called ISPM 15 that regulates wood packaging material in international trade. Its aim is to prevent introduction of invasive pests that threaten domestic wood resources. Delegates from 84 countries met in Vancouver to discuss implementation of the new measures. Canadian authorities set September 15, 2005 as the date when all wood packaging materials entering Canada would need to be heat-treated and fumigated in accordance with ISPM 15. Research continues on new heat-treatment options and better tools to ensure that the packaging standard is met.

The use of CCA-treated material in most residential applications has been withdrawn and there is renewed interest in naturally durable wood, so Forintek did extensive research evaluating and comparing the natural decay resistance of seven eastern wood species. This could open up new markets for Eastern Canadian manufacturers, as eastern cedar demonstrated the highest mold resistance and highest dimensional stability.

Because about 90 percent of lodgepole pine harvested in the BC Interior will be processed through a sawmill, Forintek has established a program aimed specifically at the manufacturing, drying and treatment of MPB-affected wood. So far, Forintek has completed 12 studies aimed at debunking myths about the bluestained lumber generated from MPB-affected logs and has provided solutions to industry to address specific log processing issues. We also published a *Technote* to assist sawmills select cost-effective drying strategies to recover maximum value from post-MPB wood. Another study was completed showing that bluestain and adjustments to drying practices do not have a negative impact on the recovery of machine-graded lumber (MGL) manufactured from post-MPB wood. Research also focussed on such lumber processing issues as the impact of bluestain and checking on lumber recovery and sawing of dry, checked logs. On the subject of preventing bluestain in clean logs, Forintek and a team of UBC students developed a spray applicator prototype for felling head attachments to apply biocontrol agents to logs immediately after felling.

New harvesting conditions are forcing Eastern Canadian hardwood mills to use lower quality logs. Therefore, as part of Forintek's research program directed by our Hardwood Processing

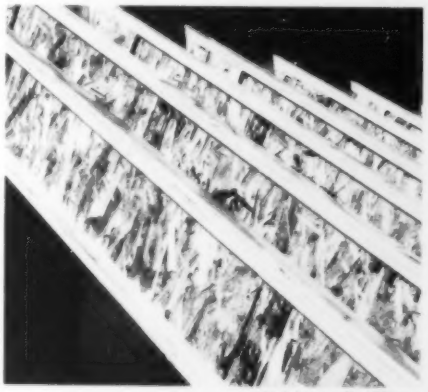
Advisory Committee, we produced a study to determine under what conditions these logs could be processed economically. The study showed that when faced with having to process shorter logs, producers could gain more profitability by grading lumber on the better face, as it could generate a greater proportion of #1 Common & Better lumber. Also, introducing a 'house grade' to meet the specific needs of clients could make a significant contribution to profit margin. Other research projects focussed on the protection of hardwood against bluestain, the development of high performance engineered wood flooring and rough mill optimization.

Building Systems Highlights

The foundation of the Canadian forest industry is based upon the inherent strength properties of our timber and the building systems that industry has developed to capitalize on those properties. Forintek has dedicated nearly a third of its National Research Program budget to the Buildings Systems Program to help members maintain existing markets and to develop new markets, focusing on the areas of building codes and standards, wood durability, and markets and economics.

When it comes to structural performance and the regulatory environment, wood structures face constant competition from other building materials. Therefore, it is important to remain vigilant to ensure that wood is treated fairly in building codes. Forintek's technical experts keep tabs on regulations that impact the structural, fire, durability and environmental performance of wood structures, both domestically and abroad. We also provide input where more information is needed on wood structures or where there is an obvious prejudice against wood structures in favor of other building materials.

A new version of the National Building Code of Canada was adopted last year. The code includes new seismic design provisions that are considered some of the most advanced for wood buildings in the world, based upon contributions from a variety of research projects



As the global demand for wood products has continued to grow and evolve, so has the nature of supply and distribution

In 2005, Forintek looked at ways to send large volumes of ready-to-assemble house kits overseas targeted at aid agencies performing disaster-relief reconstruction

including those funded and initiated by Forintek. It also included increased clarity around requirements for treated wood, based on proposals from Forintek and the Canadian Wood Council. We also completed an assessment of the differences in the way fire tests are conducted in different countries, and discovered that in most countries, the structural loads applied during those tests are lower than those applied in Canada. Fire-resistance ratings required by the Canadian building codes provide appropriate levels of fire safety – a fact that is supported by Canadian fire loss statistics. Therefore, the applications of fire modeling undertaken in support of fire-resistance ratings in the Canadian building code will help industry promote the use of wood-frame construction in export markets.

In 2005, Forintek explored a mechanism for sending Canadian wood products overseas in large volumes – via a ready-to-assemble house kit targeted at aid agencies performing disaster-relief reconstruction. The 2004 tsunami in Indonesia and the 2005 earthquake in Pakistan are providing immediate opportunities to explore a business scenario for Canada in disaster reconstruction and eventually for all low-income housing markets worldwide. Indonesia and Pakistan intend to rebuild over 600,000 houses in total plus thousands of schools, clinics, mosques and other structures. In fact, every year over one million families are made homeless due to disasters, representing a potential annual wood consumption of 2.5 billion board feet of lumber and one billion square feet of panels. House kits may be one of the most viable "value-added" strategies for Canada. An image of Canada as a provider of safe housing would be established simultaneously with the creation of a market acceptance of Canadian commodity wood products. The scientists and market researchers in the Building Systems program are helping provide technical support and quality control as Canadian companies investigate this potential new market.

As the momentum continued to build last year in the area of developing international markets, Canada Mortgage and Housing Corporation (CMHC) retained the services of Forintek for its International Training Team. The team has been set up to describe the benefits and reliability of the Canadian house building system to builders, architects, engineers, and other decision makers in existing and potential new markets for wood-based building materials and systems. The team will draw on Forintek's Building Systems researchers to provide training in key areas such as fire safety, durability, environment impact and energy efficiency. The team will also collaborate with Canadian companies that provide residential building components and services.

Recognizing that these new international initiatives will quite naturally involve the use of prefabricated building systems and that prefabrication is an important step forward along the value chain, Forintek has developed a prefabricated building systems strategy. Its purpose is to assist in the development of a competitive industry capable

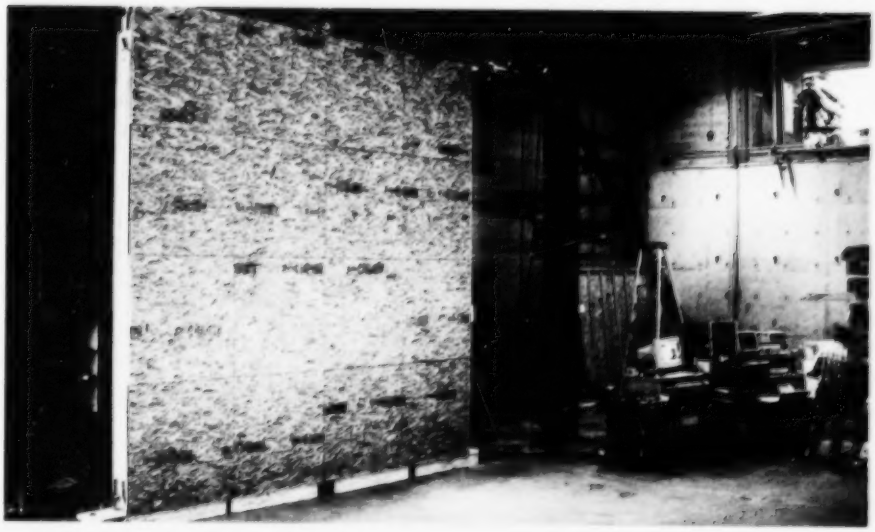
of addressing the needs of its customers while providing the forest products industry with value-added opportunities. We conducted nine focus groups across Canada and the U.S. to identify the barriers that restrict wider acceptance among homebuilders to prefabricated construction systems, and studied prefab wall connections systems.

Canada's strategy to build support for North American building systems in China through collaborative work on helping that country with developing its building codes continued to pay dividends. Forintek technical representatives were part of a Canadian team that participated in the first meeting of the Joint Technical Committee on Wood Construction Fire Safety and Engineering with their Chinese counterparts. We also conducted shear wall tests in collaboration with Tongji University in Shanghai, which produced a number of converts among Chinese technical experts to the idea of wood-frame construction as a superior system to resisting earthquakes. The test provided the necessary technical information needed for consideration in China's seismic code. Also issued this year were two China industry standards for wood preservation developed by a committee with a representative from Forintek included as one of only three overseas experts. South Korea approved a new building code last year that allows North American style wood-frame construction up to 18 metres in height and 3000 square metres of total floor area – 6000 metres if sprinkled. Forintek scientists, working with Canada Wood staff, are now working to help streamline the potential flow of more Canadian wood products into South Korea.

Another area identified for potential growth in Canadian wood consumption is the non-residential construction market. Forintek research showed that if wood framing captured its full potential within code limits in non-residential construction, an additional three billion board feet of lumber and six billion square feet of panels could be consumed annually. To encourage wood use in non-residential construction, Forintek investigated the development of a framework for a web portal that would provide key information and contacts to the architectural, engineering, and construction industries. We also completed a literature review exploring the merits of hybrid non-residential construction, looking specifically at medium- to high-rise

Researchers believe that the development of a web portal dedicated to structural wood in non-residential construction would help industry to convince specifiers to see wood as an attractive alternative to steel and concrete

Forintek and UBC researchers are investigating the use of tall wood-frame walls for non-residential construction



buildings where the share of wood usage has typically been limited.

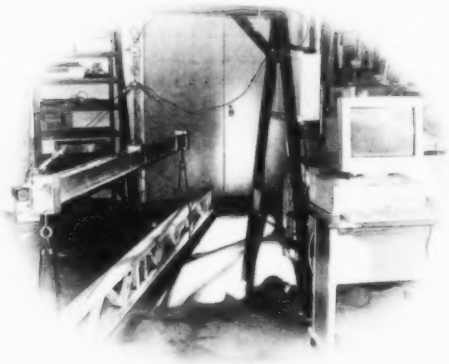
Forintek and UBC researchers also completed a project to determine the structural performance of tall wood-framed walls. As a result of the work, tall wood-frame walls are expected to be a more feasible alternative in non-residential construction, and the technical information from this project will be used to expand design guidelines.

One of the concerns of designers and insurers as it relates to non-residential wood-frame buildings is fire safety. One of the outcomes of the Forintek-funded Industrial Research Chair in Fire Safety Engineering at Carleton University was the development of a computer model for evaluating the risk from fires in four-storey wood-frame commercial buildings. The strategy for building confidence among designers and insurers to consider using more wood in non-residential construction is to develop performance-based fire-safety designs to eliminate the inequitable treatment of wood in prescriptive codes.

Monitoring and responding to building industry attitudes regarding wood's durability is also one of Forintek's main focus areas. For example, our durability group reported that rewetted kiln-dried lumber is an unlikely source of the black mold known as Stachybotrys because Canadian wood species are not preferred substrates for this notorious fungus. This type of new information is added to the knowledge on the website we jointly run with the Canadian Wood Council (www.durable-wood.com).

The Durability and Protection Group continues to assist the wood preservation industry in smoothing the transition to new preservatives. A 2005 Supplement to the CSA O80 series of standards added ACQ and copper azole to a range of standards. Key to this change was a new standard for above-ground light duty residential treated wood products with no requirement for incising.

Forintek's Markets and Economics group produced a number of timely and unique research documents last year, including its 'seven-year-after' look at the softwood lumber global trade model that it developed in 1998. The new report contains a review of the accuracy of forecasts and performs a scenario analysis, re-calibrating the trade model where assumptions made in 1998 did not hold. The group also completed three studies showing lumber producers how their products are being used in their main markets.



Value-added Highlights

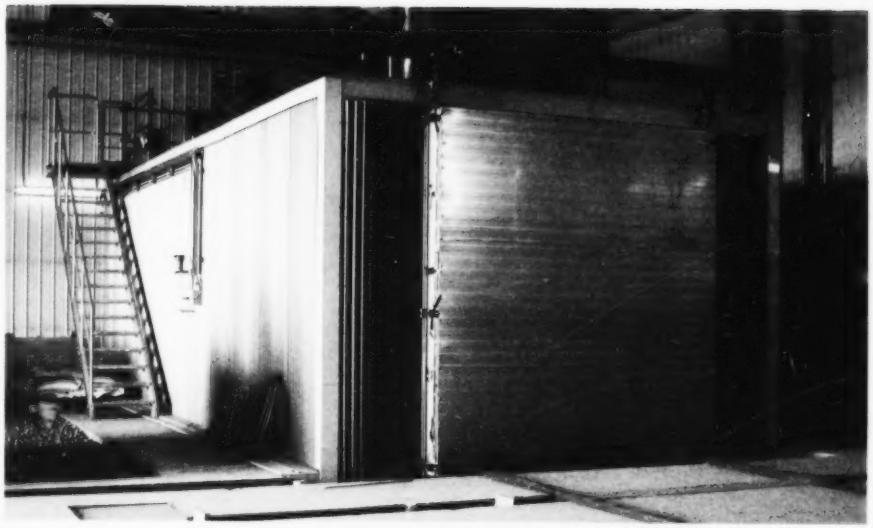
A Saskatchewan-based kitchen cabinet manufacturer described his experience working with one of Forintek's Industry Advisors (IAs) by saying, "with the help of the technical experts at Forintek, we recently had our best year ever". It is gratifying that this is not an uncommon response to the *Value to Wood* technology transfer program sponsored by Natural Resources Canada. We have over 40 IAs, who bring with them significant industry experience in a variety of specialized areas, strategically located throughout Canada. They typically visit over 600 businesses annually to provide hands-on assistance to both primary and secondary manufacturers and to participate in technology transfer events like seminars and workshops.

Forintek has expanded its role as a provider of technical assistance and resources to companies looking for ways to sharpen their competitive edge through improvements to internal manufacturing processes, or to expand with new product lines or into new markets. This has been made possible through additional financial support from our provincial partners as well as by a growing secondary manufacturing membership base. While they are smaller, their technological challenges are just as demanding as our primary members.

The concept of 'adding value' is an implied objective in all of Forintek's activities. The softwood lumber dispute and more aggressive competition from off-shore competitors in sectors such as furniture and flooring manufacturing have made cost competitiveness and value adding the primary focus of the entire forest sector. This is a consistent theme heard from the industry whenever our Technical Advisory Committees (TACs) meet and the message we receive from the industry through surveys and direct interaction with business owners.

Increasing the depth of our technical capacity, and working hard to develop our Value-added Program over the past 10 years has given us the ability to react quickly to immediate challenges. For example, Quebec recently invested $11.7 million over three years to develop and commercialize new technology and products for the forest industry. Delivered by Forintek, the program is being offered to all secondary and ter-

Innovation in the areas of product development and installation techniques is key to the flooring industry's continued growth in the face of increasing competition



Thermal wood modification in ovens such as this can be used to develop new applications and create value opportunities for under-utilized species

tiary manufacturers, cooperatives and businesses considering wood-based, value-added projects. To aid in ensuring that the program meets the needs of the Quebec industry, a four-member coordinating team has been appointed to lead the process forward. In Ontario, an investment of $2 million over three years by both the Ontario and federal governments, has resulted in two IAs being hired for the Northern Ontario communities of Hearst and Kenora. These IAs will conduct preliminary evaluations of value-added projects and transfer technology to businesses in the region. A number of BC First Nations communities have recently acquired more than 15.7 million cubic metres of timber through forestry agreements. Forintek delivered seminars in both Bella Bella and Prince Rupert aimed at helping these new Aboriginal forest resource owners improve their knowledge of adding value to their timber. A similar and well-attended seminar was organized and delivered by Forintek in Northern Manitoba and coordinated through our IA located in The Pas.

As Forintek's service to the solid wood products industry covers both lumber and panel products, we can often merge aspects of two programs to create a value adding win-win scenario on more than one front. For instance, through the research program, a *Technote* was developed from our research that investigated the viability of using oriented strandboard (OSB) components in furniture frames. Through technology transfer programs supported by Forintek's partners, this research can make its way directly to the plant floor where it can be used to its fullest.

Forintek continued to offer its lean manufacturing modules. Lean Manufacturing, simply defined, is a method of doing more with less. Specifically, Lean can produce high quality products with half the effort, space, inventory, and product development time compared with traditional mass production. The eight-week program consisted of both classroom instruction and on-site assistance to help businesses successfully implement lean concepts on the plant floor. So far, the modules have been offered in Saskatchewan, BC and Alberta. Interest in Lean Manufacturing concepts and participation in the modules has been excellent and continues to grow. Some primary producers have even enrolled in the modules as a way to develop a systematic approach to continuous improvement.

Industry members involved in the various Technical Advisory Committees provide input to Forintek's Value-added Research Program. Mainly organized around industry sectors, a number of projects were initiated over the past year.

Thermally treated wood is a relatively new process and product on the Canadian scene, and our researchers have concluded that this process, when applied properly, could enhance specific wood properties. Thermal modification of wood offers an opportunity to add value to some underutilized wood spe-

Focus groups hosted by Forintek over the past year showed that homebuilders are still slow to adopt prefabricated building components

cies. Also, the improved performance of the final product make it ideally suited for garden furniture, decking, siding, hardwood flooring and kitchen cabinets.

We also partnered with Laval University to complete a study that provides technical information and data to support the development of a design methodology for lateral load resisting systems of prefabricated houses. This will help the prefabricated building industry enhance the reliability of their products, thus improving their competitiveness. While focus groups hosted by Forintek over the past year showed that homebuilders are still slow to adopt prefabricated building components, the proving ground may be the Canadian forest industry's growing move to provide housing in areas devastated by natural disasters.

Other Value-added Program projects included: development of an effective tool to evaluate the mechanical properties of engineered wood products; evaluating the effectiveness of a number of finishing systems to act as barriers for the reduction of formaldehyde and/or volatile organic compound emissions particularly for wood furniture manufacturers; and the viability of using nano-composite coatings to improve scratch and wear resistance, weathering, fire and flame resistance, and stability over time in wood flooring.

May 5, 2006

Auditors' Report

To the Members of
Forintek Canada Corp.

We have audited the consolidated balance sheet of **Forintek Canada Corp.** as at March 31, 2006 and the consolidated statements of operations and fund balance, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2006 and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Pricewaterhousecoopers LLP

Chartered Accountants

Consolidated Balance Sheet

As at March 31, 2006

	2006 $	2005 $
Assets		
Current assets		
Cash	2,903,018	1,740,368
Accounts receivable	3,885,851	5,086,642
Work-in-progress	621,758	882,551
Prepaid expenses	133,616	129,219
	7,544,243	7,838,780
Funds held in trust (note 4)	3,652,180	-
Capital assets (note 5)	36,556,451	38,607,805
	47,752,874	46,446,585
Liabilities and Fund Balance		
Current liabilities		
Accounts payable and accrued liabilities	2,165,106	2,321,315
Deferred revenue	1,320,176	1,077,870
Current portion of obligation under capital leases (note 6)	55,826	73,009
Current portion of long-term debt (note 7)	70,000	-
	3,611,108	3,472,194
Deferred obligation under contract (note 4)	3,652,180	-
Deferred contributions related to capital assets (note 8)	31,362,413	33,353,497
Obligation under capital leases (note 6)	120,632	176,458
Long-term debt (note 7)	70,000	140,000
Accrued pension obligation (note 9)	3,551,400	3,302,300
	42,367,733	40,444,449
Fund balance		
Unrestricted	505,660	885,394
Internally restricted (note 10)	-	250,000
Invested in capital assets	4,879,481	4,866,742
	5,385,141	6,002,136
	47,752,874	46,446,585

Approved by the Board of Directors

Director

Director

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2006

				2006	2005
	Unrestricted $	Internally restricted $	Invested in capital assets $	Total $	Total $
Balance - Beginning of year	885,394	250,000	4,866,742	6,002,136	6,053,054
Excess (deficiency) of revenue over expenses	86,013	-	(703,008)	(616,995)	(50,918)
Investment in capital assets	(392,738)	(250,000)	642,738	-	-
Repayment of capital lease obligations	(73,009)	-	73,009	-	-
Balance - End of year	505,660	-	4,879,481	5,385,141	6,002,136

Consolidated Statement of Operations and Fund Balance

For the year ended March 31, 2006

	2006 $	2005 $
Revenue		
Government contributions and industry member assessments	16,008,764	18,154,138
Contract fees	11,519,763	9,159,264
Other income	383,829	407,490
	27,912,356	27,720,892
Expenses		
Administrative	1,017,483	961,092
Laboratory	8,274,928	8,477,130
Premises	2,041,201	1,769,862
Staffing	16,492,731	15,842,054
	27,826,343	27,050,138
Excess of revenue over expenses before the following	86,013	670,754
Depreciation and amortization of capital assets	(2,773,566)	(2,755,558)
Amortization of deferred contributions related to capital assets	2,070,558	2,035,375
Loss on disposal of capital assets	-	(1,489)
Deficiency of revenue over expenses for the year	(616,995)	(50,918)
Fund balance - Beginning of year	6,002,136	6,053,054
Fund balance - End of year	5,385,141	6,002,136

Consolidated Statement of Cash Flows

For the year ended March 31, 2006

	2006 $	2005 $
Cash flows from operating activities		
Deficiency of revenue over expenses for the year	(616,995)	(50,918)
Items not affecting cash		
Depreciation and amortization of capital assets	2,773,566	2,755,558
Amortization of deferred contributions related to capital assets	(2,070,558)	(2,035,375)
Loss on disposal of capital assets	-	1,489
	86,013	670,754
Increase in accrued pension obligation	249,100	321,800
Changes in non-cash working capital balances, excluding current portions of obligation under capital leases and long-term debt	1,543,284	458,605
	1,878,397	1,451,159
Cash flows from investing activities		
Purchase of capital assets	(722,212)	(623,638)
Proceeds on sale of capital assets	-	40,059
	(722,212)	(583,579)
Cash flows from financing activities		
Contributions used to acquire capital assets	79,474	-
Repayment of long-term debt	-	(180,000)
Repayment of capital lease obligation	(73,009)	(91,588)
	6,465	(271,588)
Increase in cash during the year	1,162,650	595,992
Cash - Beginning of year	1,740,368	1,144,376
Cash - End of year	2,903,018	1,740,368

1 Purpose of the Corporation

Forintek Canada Corp. (the Corporation) is a not-for-profit organization incorporated under Part II of the Canada Corporation Act.

The purpose of the Corporation is to be the leading research organization for the technological advancement of the Canadian solid wood products industry, through the creation and implementation of innovative concepts, processes, products, and training programs. The Corporation depends on member and government contributions and contract revenue to support its activities.

In the event of dissolution, the net assets of the Corporation are to be distributed to a similar not-for-profit organization for the purposes of continuing scientific research.

The Boards of the Corporation, FERIC and Paprican have been in discussions concerning the merits of merging the three national Research Institutes.

On June 12, 2006, the members of Forintek will vote on a special resolution, unanimously approved by the Board, concerning:

- The creation of a new legal entity
- Forintek (as a corporation) becoming one of the first members of the new legal entity along with FERIC and Paprican (individual industry and government members of Forintek would subsequently become direct members of the new legal entity once certain details and issues have been resolved), and
- Commencement of a due diligence process to identify and resolve key operational barriers to amalgamation (e.g., financial assets and liabilities, human resources issues, pension plans, etc.). Upon completion of the due diligence (expected between January and March 2007), the information will be presented to the members of all three Institutes for a final vote on amalgamation.

2 Significant accounting policies

Basis of presentation

These consolidated financial statements include the accounts of the Corporation and its wholly owned U.S. subsidiary, Forintek International Incorporated (FII). FII was incorporated on December 22, 1998 and has not commenced operations.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of member assessment receivables, work-in-progress, and deferred revenue as at year-end. Estimates also affect the reported amounts of related revenues and expenses. Actual results could differ from the estimated amounts.

Revenue recognition

The Corporation follows the deferral method of accounting for government contributions and industry member assessments, which are recorded when receivable and collection is reasonably certain.

Industry member assessments

Industry member fees are recorded based on self-assessments by each member of the amounts owing to the Corporation.

Capital contributions

Contributions provided specifically for the acquisition of capital assets are initially recorded as deferred contributions, and are included in revenue on the same basis as the related capital assets are depreciated.

Contract revenue

Revenue from contracts is recorded on the percentage-of-completion basis. Unbilled contract revenue, included on the balance sheet as work-in-progress, represents the excess of contract revenue earned over billings on specific contracts. Deferred contract revenue represents the excess of contract billings over revenue earned on specific contracts.

Capital assets

Capital assets purchased by the Corporation are recorded at cost less accumulated depreciation and amortization. Contributed capital assets are recorded at fair value at the date of contribution. Amortization and depreciation are provided over the estimated useful lives of the assets on a straight-line basis as follows:

Leasehold interest in Vancouver land	40 years
Buildings	40 years
Laboratory and shop equipment	10 years
Office equipment, furniture and fixtures	5 and 10 years
Computer equipment and software	5 years

Employee pension plan

The Corporation provides a contributory defined benefit pension plan for its employees 30 years of age and over. The plan provides pensions based on length of service and best average five years' earnings. The Corporation's present funding practice is to match employee contributions to the plan and accrue the remainder of the annual pension expense as a deferred pension liability.

The Corporation accrues its obligations for employee pensions and the related costs, net of plan assets. The Corporation has adopted the following policies:

a) The cost of pensions earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected plan investment performance, salary escalation and retirement ages of employees.

b) For the purpose of calculating the expected return on plan assets, those assets are valued at fair value.

c) Experience gains and losses outside the 10% corridor (i.e. 10% of the corridor of plan assets and accrued benefit obligation) are amortized into pension expense over the expected average remaining service lifetime (EARSL) of the active members in the plan, using a level of percentage of covered payroll.

d) The transitional asset is amortized into pension expense over the expected average remaining service lifetime (EARSL) of the active members in the plan, using a level percentage of covered payroll.

3 Bank indebtedness

The Corporation has an operating line of credit of $2,000,000 for general business purposes. Interest is charged at bank prime lending rate per annum. At year-end, there was no balance outstanding on the line of credit.

4 Funds held in trust/deferred obligation under contract

During the year, the Corporation was contracted by the Ministère des ressources naturelles et de la faune (MRNF) to administer a three year contract relating to specific research projects for a total of $11.7 million.

The Corporation is administering $6.5 million of the MRNF program and is entitled to a maximum administration fee of 10% of amounts disbursed. The remaining $5.2 million of program costs are to be earned by the Corporation over the next three years through approved research and technology transfer projects.

Transactions during the year were as follows:

	$
Opening balance	-
Funds received during the year	4,000,000
Amounts disbursed	(331,936)
Interest earned	50,103
Decline in market value of investments	(62,759)
Transaction charges	(3,228)
Balance - End of year	3,652,180

5 Capital assets

	Cost $	Accumulated depreciation and amortization $	2006 Net $	2005 Net $
Vancouver				
Prepaid land lease	3,624,300	1,359,112	2,265,188	2,355,795
Building	20,783,537	7,756,081	13,027,456	13,411,895
Quebec City				
Land	484,776	-	484,776	484,776
Building	17,762,257	4,618,140	13,144,117	13,237,601
Laboratory and shop equipment	20,806,795	13,904,287	6,902,508	8,094,191
Office equipment, furniture and fixtures	2,141,655	1,831,203	310,452	397,122
Computer equipment and software	2,180,618	1,758,664	421,954	626,425
	67,783,938	31,227,487	36,556,451	38,607,805

Included in office equipment, furniture and fixtures are items held under capital leases with a net book value of $237,062 (2005 - $290,756), cost of $364,770 (2005 - $364,770) and accumulated depreciation of $127,708 (2005 - $74,014).

During the year, capital assets were acquired at an aggregate cost of $722,212 (2005 - $808,081), of which $nil (2005 - $184,443) was acquired by means of capital lease.

6 Obligation under capital leases

The Corporation has entered into four capital leases for the telephone system and four photocopiers. These leases have combined monthly payments of $7,704 and bear interest at between 6% - 11%. The lease terms expire between August 2006 and March 2010.

	2006 $	2005 $
Total obligation	176,458	249,467
Less: Current portion	55,826	73,009
	120,632	176,458

The Corporation is committed to capital lease obligations as follows:

	2006 $	2005 $
Minimum lease payments	203,058	295,504
Less: Interest	26,600	46,037
Principal obligations	176,458	249,467

Future minimum lease payments are as follows:

	$
Year ending March 31	
2007	73,793
2008	56,759
2009	45,626
2010	26,880
	203,058

7 Long-term debt

	2006 $	2005 $
Government of Canada loan, non-interest bearing, payable in annual instalments over five years commencing April 2003	140,000	140,000
Less: Current portion	70,000	-
	70,000	140,000

Estimated principal repayments on long-term debt are as follows:

	$
Year ending March 31	
2007	70,000
2008	70,000
	140,000

8 Deferred contributions related to capital assets

Deferred contributions related to capital assets represent contributions made by government and industry members for the purpose of constructing the Vancouver and Quebec City facilities and for acquisition of specific equipment. The changes in the deferred contributions balance for the year are as follows:

	2006 $	2005 $
Balance - Beginning of year	33,353,497	35,388,872
Add: Contributions used to acquire capital assets	79,474	-
Less: Amounts amortized to revenue	(2,070,558)	(2,035,375)
Balance - End of year	31,362,413	33,353,497

9 Accrued pension obligation

The information provided below on the pension plan is based on extrapolations to March 31, 2006 from the latest actuarial valuation which was at December 31, 2002. Valuations are performed by the actuarial firm of Hewitt Associates. The effective date of the next required actuarial valuation is December 31, 2005.

The estimated present value of the accrued pension benefit obligation at March 31, 2006 was as follows:

	2006 $	2005 $
Accrued benefit obligation - Beginning of year	30,755,700	27,956,200
Current service cost	1,786,200	1,628,500
Interest cost	1,828,300	1,748,700
Benefits paid	(1,491,300)	(880,700)
Actuarial losses	1,025,100	303,000
Accrued benefit obligation - End of year	33,904,000	30,755,700

The fair value of the pension fund assets for actuarial purposes is based on an estimate of fair value as of March 31, 2006. The amounts are as follows:

	2006 $	2005 $
Plan assets - Beginning of year	28,530,900	26,343,000
Actual return on plan assets	2,824,800	2,185,400
Corporation contributions	476,400	441,600
Employee contributions	476,400	441,600
Benefits paid	(1,491,300)	(880,700)
Plan assets - End of year	30,817,200	28,530,900

The net accrued liability of the plan is as follows:

	2006 $	2005 $
Actuarial deficit of the plan	(3,086,800)	(2,224,800)
Unamortized actuarial loss	6,575,700	6,692,800
Unamortized transitional asset	(7,040,300)	(7,770,300)
Net accrued pension obligation for accounting purposes	(3,551,400)	(3,302,300)

The net pension expense for the year ended March 31, 2006 was $725,500 (2005 - $763,400). The amount of benefits paid for the year was $1,491,300 (2005 - $880,700).

The assets of the pension plan are invested in UBS Balanced Funds. The asset mix of the pension plan as of March 31, 2006 was as follows:

	%
Canadian equity	37.29
Canadian bonds	31.47
Global equity	24.86
Cash and equivalents	6.02
International bonds	0.36
	100.00

The significant actuarial assumptions adopted in measuring the Corporation's accrued benefit obligation are as follows:

	2006	2005
Actuarial assumptions		
Discount rate	5.25%	5.75%
Expected rate of return on plan assets	6.50%	6.50%
Rate of compensation increase	3.00%	3.25%
Expected average remaining service life of employees	12 years	12 years

10 Internally restricted fund

In 2004, the Corporation's board of directors approved the transfer of $250,000 from the unrestricted fund to create an internally restricted fund for the planned maintenance of the Quebec City building. During the year this amount was fully utilized.

11 Fair value of financial instruments

The Corporation has various financial instruments including cash, accounts receivable, accounts payable and accrued liabilities, obligations under capital leases and long-term debt. With the exception of long-term debt, these items are recorded in the financial statements at amounts that approximate their fair values. The fair value of the long-term debt is estimated at $131,000 assuming an effective interest rate of 4.14% per annum on the debt.

12 Comparative figures

Certain prior year figures have been reclassified to be consistent with current year presentation.

Members

as at March 31, 2006

Government

Natural Resources Canada
— Canadian Forest Service
Alberta
— Innovation & Science
British Columbia
— Ministry of Forests and Range
Manitoba
— Manitoba Conservation
New Brunswick
— Business New Brunswick
Newfoundland and Labrador
— Department of Natural Resources
Nova Scotia
— Department of Natural Resources
Ontario
— Ministry of Natural Resources
Quebec
— Ministry of Natural Resources and Wildlife
Saskatchewan
— Ministry of Industry and Resources
Yukon
— Forest Planning & Development, Forest Management Branch, Department of Energy, Mines & Resources

Industry

Alberta
Atlas Lumber (Alberta) Ltd.
Boucher Brothers Lumber Ltd.
Buchanan Lumber (a Division of Gordon Buchanan Enterprise Ltd.)
Crestview Sawmills Ltd.
Henry Vasseur Custom Planing Ltd.
Jager Building Systems Inc.
La Crete Sawmills Ltd.
Manning Diversified Forest Products Ltd.
Millar Western Forest Products Ltd.
– Wood Products Division
Mostowich Lumber Ltd.
Northland Forest Products Ltd.
Nose Creek Forest Products Corp.
Prestige Railings & Stairs Ltd.
Rocky Wood Preservers Ltd.
Seehta Forest Products Ltd.
Spray Lake Sawmills (1980) Ltd.
Strachan Forest Products
Sundance Forest Industries Ltd.
Vanderwell Contractors (1971) Ltd.
Western Archrib
Zavisha Sawmills Ltd.

British Columbia
Ardew Wood Products Ltd.
Canadian Forest Products Ltd.
Cascadia Forest Products Ltd.
Dollar Saver Lumber Ltd.
Downie Timber Ltd.
Dunkley Lumber Ltd.
East Fraser Fiber Co. Ltd.
Federated Co-operatives Limited
Gorman Bros. Lumber Ltd.
Kalesnikoff Lumber Co. Ltd.
Kootenay Innovative Wood Ltd.
Lakeland Mills Ltd.
LP Engineered Wood Products Ltd.
Lytton Lumber Ltd.
Mill & Timber Products Limited
Pope & Talbot Ltd.
Quetico Industries Corp.
Richmond Plywood Corporation Ltd.
Silvertip Inc.
Snowcap Lumber, Ltd.
Structurlam Products Ltd.
The Teal-Jones Group
Tolko Industries Ltd.
West Fraser Mills Ltd.
Western Forest Products
Weyerhaeuser Company Ltd.
Wood Enterprise Centre

New Brunswick
Boise Cascade AllJoist Ltée
Groupe Savoie
Scieries Chaleur

Nova Scotia
Barrett Lumber Co. Ltd.
Interhabs Ltd.
Ledwidge Lumber Company Limited

Ontario
Alpa Lumber Inc.
Columbia Forest Products Co. Ltd.
Estate Hardwood Flooring
Grant Forest Products Inc.
Industries Lacwood Inc.
Longlac Wood Industries Inc.
McRae Lumber Company Ltd.
Norbord Inc.
Solowave Design Inc.
Taiga Forest Products Ltd.
Vintage Hardwood Flooring

Quebec
A. Lapointe & Fils Ltee
Abitibi-Consolidated Inc.
Armstrong World Industries Canada, Ltd.
Artopex
Ateliers St-Jean 1992 Inc.
B.S.G. inc.
Bain Ultra
Baronet Inc.
Berkline Inc.
Bermex International Inc.
Boa-Franc Inc.
Bois B.S.L. Lumber
Bois d'oeuvre Cedrico
Bois Hunting Inc.
Boisaco Inc.
Bowater Produits forestiers du Canada Inc.
Cabinets CRG
Caron & Fils
CFG Amérique Inc.
CIMDAT
Collection 45 Parallel Inc.
Collection A2000 / Alphavic Inc.
Concept Finimeuble
Cooperative Forestière Laterriere
Corporation Zedbed International inc.
Couronnes Plus.com Inc.
Création Meuble A.C.
Cuisines Laurier
Distribution Mago Inc.
Domtar inc.
E. Tremblay et Fils ltée
Ébénisterie Renouveau inc.
Éloi Moisan Inc.
Emco, Matériaux de construction, Cie.
Félix Huard Inc.
Fermar
Fontaine Inc.
Foresbec Inc.
Fornirama Inc.
G. Romano Inc.
Gerard Crête et Fils Inc.
Gestofor Inc.
Giguère & Morin Inc.
Groleau Inc.
Groupe Dutailier
Groupe G.D.S. Inc.
Groupe Lebel (4032608)
Huard Invest Canada
Huppé et Frères Ltée
Industrie Bois Lamontagne Inc.
Industries Maibec Inc.
Industries Manufacturières Mégantic Inc.
Iroko Cana Inc.
Kruger Inc.
Lauzon Industries Inc.
L.C. Meubles Inc.
Lee-Lite, Division de Metaltech-Omega Inc.
Les Bois Classic Canadien Inc.
Les Chantiers de Chibourgamau Ltée
Les Distributions Option Kit Inc.
Les Emballages Jomat inc.
Les Entreprises Bizier
Les Entreprises JM Champeau inc.
Les Industries A.P. Inc.
Les Industries Amisco Ltée
Les Industries de la Rive Sud Ltée
Les Industries JSP Inc.
Les Industries Perron Inc.
Les Meubles Daviault inc.
Les Meubles Via Inc.
Les Placages Proflex
Les Planchers Mercier Inc.
Les Phages Maskinongé Inc.
Les Portes Baillargeon inc.
Les Produits Forestiers Bellerive Ka'N'Enda Inc.
Louisiana-Pacific Corporation – Northern Division
Marcel Lauzon Inc.
Matelas Mirabel Inc.
Matériaux Blanchet Inc.
Matériaux Spécialisés Louiseville
Max Meilleur & Fils Ltée
Meuble Idéal Ltée
Meubles Canadel Inc.
Meubles Concordia Ltée
Meubles Gober Inc.
Meubles L.T.
Meubles Laurier Ltée
Meubles Nantes Inc.
Meubles Val-Mauricie
Morigeau – Lépine Inc.
Multi Bois 9063-4221 Quebec Inc.

Nicobois Inc.
Norteck
Open Joist 2000 Inc.
Optibois Inc.
Pan-O-Starr Inc.
PCI Industries
Pinexel Inc.
Placages SSP Inc.
Précitech International Inc.
Preverco Inc.
Productions La Varlope Inc.
Produits forestiers Canbo
Produits forestiers La Tuque inc.
Produits Forestiers Lamco Inc.
Produits forestiers Miradas inc.
Produits forestiers Petit Paris inc.
Produits Forestiers Saguenay Inc.
Prokit Structural inc.
Rodi Inc.
Romaro Structure Corp.
Roméo Laflamme et Fils Inc.
Roy & Benoit Inc.
Sacopan inc.
Scierie Claude Forget inc.
Scierie Gaston Morin Inc.
Scierie Gauthier Ltée
Scierie Girard Inc.
Scierie Lac St-Jean inc.
Scierie Lachance Ltée
Scierie Leduc, Division de Stadacona Inc.
Scierie Martel Ltée
Scierie P.H. Lemay et Fils Ltée
Scierie R.N. inc.
Scierie St-Elzéar
Scierie Thomas-Louis Tremblay inc.
Sealy Canada Ltée
Shermag Inc.
Simon Lussier Ltée
Soli-Meubles 1997 Inc.
Solution Confort Design inc.
Sovobec inc.
Structures de construction technologique TBS Ltée
Sylvio Brunet & Fils Ltée
Synerbois inc.
Teknion - Roy & Breton Inc.
Tembec Industries Inc.
Termo Structure inc.
Tournage Beau-Bois Ltée
Tournage de Bois Dynastie Ltée
Trica Inc.
Troy Structure Inc.
Tuile Bois Francs Inc.
Uniboard Canada Inc.
U.V. Laviolette
Vexco Inc.

Saskatchewan
Above Board Kamsack Corp.
Meadow Lake OSB Limited Partnership

Associate Members

Arch Wood Protection Canada Corp.
Ashland Specialty Chemical Co.
Autolog Inc.
Ayotte Techno-Gaz Inc.
Biorem Technologies Inc.
Biowor Technologies Inc
CSI Machinerie inc.
Carmanah Design & Manufacturing Inc.
Cathild Inc.
Chemco Acquisition Corp.
Chemical Specialties Inc. (CSI)
Coe Newnes/McGehee
Comact Inc.
Conception R.P. Inc.
Delmhorst Instrument Co.
Diacon technologies ltd.
Dieffenbacher North America Inc.
Doucet Machineries Inc.
Dural, Division of Multibond Inc.
Fabrication Delta Inc.
Franklin Adhesives
Genics Inc.
Groupe For-Min
Helmitin Inc.
Hermary Opto Electronics
Hexion Specialty Chemicals Inc.
Humijet Inc.
Huntsman International (Canada) Corporation
Hydro-Québec
IAmec
Johns Manville
Kop-Coat Inc.
Laboratoire Primatech Inc.
Laboratoires Buckman du Canada Ltée
Les Aciers J.P. inc.
Les Adhésifs ADHPRO Inc.
Les Machineries Tanguay inc.
Les produits Gilbert inc.
Les Séchoirs de l'Est (90619 Canada Ltée)
Lignol Innovations Corp.
LMI Technologies Inc.
Machinerie Lico inc.
Mobius Technologies
MPM Engineering Ltd.
Nacan Products Limited
Normand Projex Inc.
Ohlin Thermo Tech
OSI Machinerie inc.
Outils Gladu
Porter Engineering Ltd.
Premilec inc.
Produits Chemcraft inc.
Purbond AG
Sawquip International Inc.
Scies BGR Inc.
Séchoir MEC
Séchoirs Côté Inc.
Séchoirs Kingsey Falls inc.
Select Sawmill Co.
Silvachem inc.
Systech Industries Inc.
Tembec Resin Group
Timber Specialties Ltd.
U.S. Borax Inc.
USNR
VAB Solutions
Valon Kone Brunette Ltd.
Wagner Electronic Products Inc.
Westmill Industries Ltd.
WOLFTEK Industries Inc.

Corporate Information

as at March 31, 2006

Officers of the Corporation

Chair
P. Latos
Technical and Projects Director
Softwood Lumber Business
Weyerhaeuser Company

Vice-Chair
J. Lopez
President and CEO
Tembec Inc.

President and CEO
L.A. de la Roche

Vice-Presidents
J.A. Dangerfield
J.-C. Mercier

Corporate Secretary
P.K.P. Chau

Board of Directors

Chair
P. Latos (1)
Technical and Projects Director
Softwood Lumber Business
Weyerhaeuser Company

Vice-Chair
J. Lopez (1)
President and CEO
Tembec Inc.

J. Beaulieu
Vice President, Wood Products
Bowater Canadian Forest Products Division

D. Brière
Dean, Faculty of Forestry and Geomatics
Laval University

J. Costantino
Senior Vice President, Operations
Millar Western Forest Products Ltd.

L.A. de la Roche (1) (3)
President & CEO
Forintek Canada Corp. and FERIC

B. Emmett
Assistant Deputy Minister
Natural Resources Canada (CFS)

R.J. Fessenden
Deputy Minister
Alberta Innovation and Science
Province of Alberta

S. Filbee
Director General
Manufacturing Industry Branch
Industry Canada

C. Freeman
Assistant Deputy Minister
Business New Brunswick
Province of New Brunswick

B.S. Friesen (2) (3)
Assistant Deputy Minister
Ministry of Forests and Range
Province of British Columbia

J.-P. Gilbert
Director, Forest Products Industry Development
Ministry of Natural Resources and Wildlife
Province of Quebec

M. Huard
President and CEO
Félix Huard Inc.

D. Madlung
Vice President, Solid Wood Operations – West
Canadian Forest Products Ltd.

N. Maltais
Plant Manager
Scieries Chaleur

J.-F. Mérette
Vice President Sawmills, Quebec and Ontario
Domtar Inc.

B. Mjolsness
President
Spray Lake Sawmills (1980) Ltd.

B. Reedy (2)
President
Gorman Bros. Lumber Ltd.

R. Savard (1)
Manager, Engineering and Operations
Abitibi-Consolidated Inc.

J.B. Shineton (1)
President and CEO
Norbord Inc.

C. Tardif
Director of Forest Operations
Industries Maibec Inc.

B. Wilson
Deputy Minister
Ministry of Industry and Resources
Province of Saskatchewan

Board Members Resigned or Retired 2005–2006

M. Bernier
M. Bouchard
R. Franko
S. Ketcham
J.-S. Lebel
L. Spannier
F.S. Thomas

Board Committees

1. Executive
2. Audit
3. Pension Administration

The Executive Committee acts on behalf of the Board in the intervals between Board meetings. It also approves all member applications, and functions as the Nominating Committee.

The Audit Committee reviews any changes to accounting principles and the annual audit, and approves the financial statements on behalf of the Board.

The Pension Administration Committee fulfills the Corporation's legal responsibilities for the Forintek Canada Corp. Employees' Pension Plan.

Planning Committees

as at March 31, 2006

National Research Program Committee

Chair
Alan Potter
Forest Research Opportunity BC

Jacques Bégin
Quebec Forest Industry Council (QFIC)

Rob Bickford
KCIP Consulting

George Bruemmer
Tembec Industries Inc.

Serge Constantineau
Domtar inc.

Gordon Dunwell
Tembec Industries Inc.

Lynn Embury-Williams
Canadian Forest Products Ltd.

Jim Farrell
Natural Resources Canada (CFS)

Helen Griffin
Weyerhaeuser Company Ltd.

Peter Kofoed
Cascadia Forest Products Ltd.

Claude Lamothe
Abitibi-Consolidated Inc.

Bill Love
Tembec Industries Inc.

Lois McNabb
BC Ministry of Forests and Range

Stewart Marcoux
Domtar inc.

Sylvain Ménard
Open Joist 2000 Inc.

Dan Price
Tolko Industries Ltd.

François Rouleau
Quebec Ministry of Natural Resources and Wildlife

Toomas Ruberg
Weyerhaeuser Canada Ltd.

Cliff Tuttle
Pope & Talbot Ltd.

Peter Wijnbergen
Norbord Inc.

Technical Advisory Committees

Resource Assessment

Eastern Region Chair
George Bruemmer
Tembec Industries Inc.

Jacques Bégin
Quebec Forest Industry Council (QFIC)

Carl Breau
Industries Manufacturières Mégantic Inc.

France Brulotte
Quebec Ministry of Natural Resources and Wildlife

Pierre Côté
Bowater Produits forestiers du Canada inc.

François Dumoulin
Abitibi-Consolidated Inc.

Fraser Dunn
Ontario Ministry of Natural Resources

Jim Farrell
Natural Resources Canada (CFS)

Gilles Gaboury
Quebec Ministry of Natural Resources and Wildlife

Michel Huard
Félix Huard Inc.

Gérard Laforest
Norbord Inc.

Janet Lane
Weyerhaeuser Company Ltd.

Michel Lessard
Kruger inc.

Bill Love
Tembec Industries Inc.

Peter MacQuarrie
Nova Scotia Department of Natural Resources

Geoff Munro
Natural Resources Canada (CFS)

Dale Munroe
Abitibi-Consolidated Inc.

Danny Murphy
New Brunswick Department of Natural Resources

Denis Ouellet
Natural Resources Canada (CFS)

Mark Parson
Ontario Forest Research Institute

Paul Patry
Abitibi-Consolidated Inc.

Jim Richard
Business New Brunswick

Luc Richard
Bois Daaquam Inc.

John Richards
Atlantic Forestry Centre (CFS)

Michel Rivard
Scierie Leduc, Division de Stadacona Inc.

André Rouleau
Gestofor Inc.

Denis Rousseau
Quebec Forest Industry Council (QFIC)

Vince Santilli
Nova Scotia Department of Natural Resources

Charles Tardif
Maibec Industries Inc.

Western Region Chair
Peter Kofoed
Cascadia Forest Products Ltd.

Henry Benskin
BC Ministry of Forests and Range

Dave Burge
Tolko Industries Ltd.

Randy Chan
Tolko Industries Ltd.

Troy Connolly
Tolko Industries Ltd.

Mike Dunbar
West Fraser Mills Ltd.

Gordon Dunwell
Tembec Industries Inc.

Jim Farrell
Natural Resources Canada (CFS)

Howard Frame
Nova Scotia Department of Natural Resources

Jim Goudie
BC Ministry of Forests and Range

Lorne Greenhorn
Canadian Forest Products Ltd.

Cliff Henderson
Alberta Environment

Bill Herringshaw
West Fraser Mills Ltd.

Peter Jacobsen
BC Ministry of Forests and Range

Bill Love
Tembec Industries Inc.

Donna Macey
Natural Resources Canada (CFS)

Bruce MacNicol
West Fraser Mills Ltd.

Barry McKinney
Tolko Industries Ltd.

Lois McNabb
BC Ministry of Forests and Range

Bryon Muhly
West Fraser Mills Ltd.

Barrie Phillips
BC Ministry of Forests and Range

François Saillant
Natural Resources Canada (CFS)

Tony Sauder
Forest Engineering Research Institute of Canada (FERIC)

Ted Szabo
Alberta Innovation and Science

Paul Watson
PAPRICAN

Ralph Winter
BC Ministry of Forests and Range

Paul Wooding
Canadian Forest Products Ltd.

Composites

Chair
Rob Bickford
KCIP Consulting

Michael Adams
Huntsman International (Canada) Corporation

David Alsop
Lignol Innovations Corp.

Daniel Asselin
Nacan Products Limited

Jean-Paul Aucoin
Hexion Specialty Chemicals Inc.

Jocelyn Baker
Manitoba Conservation

Tony Baumgartner
Saskatchewan Ministry of Industry and Resources

Alan Blackie
Nacan Products Limited

Peter Boon
Louisiana-Pacific Canada Ltd.

Elizabeth Cacchione
Norbord Inc.

Allen Clonts
Ashland Specialty Chemical Co.

Terry Courchene
West Fraser Mills Ltd.

Mike Crondahl
Westmill Industries Ltd.

John Cutt
Dural – Division of Multibond Inc.

Steven Edward
Helmitin Inc.

Alexandra Emlyn
Grant Forest Products Inc.

Ray Ferris
West Fraser Mills Ltd.

Nick Finch
Canadian Forest Products Ltd.

Chris Finch
West Fraser Mills Ltd.

Brad Follack
Federated Co-operatives Limited

Simone-Pierre Fortin
Tembec Industries Inc.

Gary Forward
Newfoundland & Labrador Department of Natural Resources

Mike Fournier
Columbia Forest Products Co. Ltd.

Chris Fowler
West Fraser Mills Ltd.

Claude Galarneau
Emco, Matériaux de construction, Cie.

Guy Gervais
Quebec Ministry of Natural Resources and Wildlife

Kym Gillet
Canadian Forest Products Ltd.

Sean Gogarty
Helmitin Inc.

Dan Gouthro
Hexion Specialty Chemicals Inc.

Guy Gravel
Louisiana-Pacific Canada Ltd.

Noel Grenier
Tembec Industries Inc.

Martin Grimard
Nacan Products Limited

Gary Guelph
Canadian Forest Products Ltd.

Leo Huard
Industries Manufacturières Megantic Inc.

Bob Jones
Natural Resources Canada (CFS)

Darren Kostiw
Hexion Specialty Chemicals Inc.

Eric Lavoie
Hexion Specialty Chemicals Inc.

Shang Lee
Ashland Specialty Chemical Co.

Mario Lefebvre
Premilec inc.

Gilles Levesque
Columbia Forest Products Co. Ltd.

Rick Linklater
Norbord Inc.

Peter MacQuarrie
Nova Scotia Department of Natural Resources

Greg Maralia
Tolko Industries Ltd.

Ritch McDonald
Carmanah Design & Manufacturing Inc.

Lois McNabb
BC Ministry of Forests and Range

James McPherson
Longlac Wood Industries Inc.

Fred Meier
Manitoba Conservation

Luc Michaud
Norbord Inc.

Stefan Müller
Tembec Industries Inc.

Gregory Nieckarz
Hexion Specialty Chemicals Inc.

Dam Nguyen
Louisiana-Pacific Corporation Ltd.

Robert Palardy
Louisiana-Pacific Canada Ltd.

Martino Paventi
Tembec Resin Group

Gilles Picard
Laboratoire Primatech Inc.

Marc Pigeon
Industries Manufacturieres Megantic Inc.

Ryce Piggot
LP Engineered Wood Products Ltd.

Dan Price
Tolko Industries Ltd.

Benoit Provost
Dural – Division of Multibond Inc.

Tim Quebec
Canadian Forest Products Ltd.

Leo Regnier
Tolko Industries Ltd.

Jim Richard
Business New Brunswick

Bob Rosebrugh
Grant Forest Products Inc.

Paul Roussel
Louisiana-Pacific Canada Ltd.

Vince Santilli
Nova Scotia Department of Natural Resources

Doug Scott
Richmond Plywood Corporation Ltd.

Avtar Sidhu
Diacon Technologies Ltd.

Al Simcoe
West Fraser Mills Ltd.

Mark Speers
Ontario Ministry of Natural Resources

Robert Spring
Norbord Inc.

Ted Szabo
Alberta Innovation and Science

Zoltan Szucs
West Fraser Mills Ltd.

Michel Tanguay
Epoxy Tech M.C.S. Inc.

Michael Taylor
Weyerhaeuser Company Ltd.

Gino Trudel
Norbord Inc.

Andre Verville
Uniboard Canada Inc.

Yin Wang
Chemco Acquisition Corp.

Derek Webb
Biorem Technologies Inc.

Blaine Wickerson
Prestige Railings & Stairs Ltd.

Gary Zecchel
Tolko Industries Ltd.

Lumber Manufacturing

Chair
Gordon Dunwell
Tembec Industries Inc.

Vice-Chair
Pierre Bartowiak
Kruger Inc.

Keith Andersen
Lakeland Mills Ltd.

Mike Andrews
Pope & Talbot Ltd.

Kevin Archer
Chemical Specialties Inc.

François Arsenault
Fabrication Delta Inc.

Frank Aubert
Canadian Forest Products Ltd.

Charles Audet
Précitech International Inc.

Gaétan Auger
Bowater Produits forestiers du Canada Inc.

Paul Baillargeon
Scierie Leduc, Division de Stadacona Inc.

Jocelyn Baker
Manitoba Conservation

Keith Barrett
Barrett Lumber Co. Ltd.

Tony Baumgartner
Saskatchewan Ministry of Industry and Resources

Joe Bazille
Weyerhaeuser Company Ltd.

Jean Beaulieu
Bowater Produits forestiers du Canada Inc.

Leandre Bélanger
Domtar inc.

Roger Bellemare
Hydro-Québec

Marc Bergeron
Bois Oméga Ltée

Denis Bérubé
Bois d'oeuvre Cédrico

Harold Berube
Produits forestiers Temrex Inc. (S.E.C.)

Jean Bérubé
VAB Solutions

Denis Bouchard
HumiJet Inc.

Michel Bouchard
Kruger Inc.

Stéphane Bouchard
Abitibi-Consolidated Inc.

Dan Bowes
Cascadia Forest Products Ltd.

Tom Briggs
West Fraser Mills Ltd.

Eric Brousseau
USNR

Guy Cardinal
Shermag Inc.

Pierre Champeau
Les Enterprises JM Champeau inc.

Gordon Clarke
Millar Western Forest Products Ltd.

Serge Constantineau
Domtar inc.

Ian Corrigall
Valone Kone Brunette Ltd.

Denis Cossette
Les Chantiers Chibougamau Ltée

Sébastien Crête
Gérard Crête et Fils Inc.

Patrick Dallain
Bowater Produits forestiers du Canada Inc.

Barry Dashner
LMI Technologies Inc.

Bastien Deschenès
Boisaco Inc.

Sylvain Deschenès
Groupe G.D.S. Inc.

Arne Dohlen
Canadian Forest Products Ltd.

Iain Donaldson
Cascadia Forest Products Ltd.

Pat Donelly
Canadian Forest Products Ltd.

Marc Doucet
Abitibi-Consolidated Inc.

Marc Dubé
E. Trembley et Fils ltée

Rosaire Dubé
Matériaux Blanchet Inc.

Fred Dupas
Tolko Industries Ltd.

Gunther Eckert
Porter Engineering Ltd.

Daniel Ethier
Autolog Inc.

Howard Ewashko
Northland Forest Products Ltd.

Chris Finch
West Fraser Mills Ltd.

Gilles Forget
Scierie Claude Forget Inc.

Gary Forward
Newfoundland & Labrador Department of Natural Resources

Germain Fournier
P.L.C. inc.

Mike Friesen
The Teal-Jones Group

Jean-Pierre Gagné
Scierie Leduc, Division de Stadacona Inc.

France Gagnon
Optibois Inc.

Daniel Gauthier
Scierie Gauthier Ltée

Bernard Giguère
Comact Inc.

Sylvain Gilbert
Les Produits Gilbert inc.

Jean-Pierre Girard
Scierie Girard Inc.

Jean-Pierre Grenon
Gérard Crête et Fils Inc.

Vincent Grondin
Machinerie Lico inc.

Rick Haffner
Pope & Talbot Ltd.

Dave Hagen
Seehta Forest Products Ltd.

Barry Harley
Tolko Industries Ltd.

Berry Heinen
Boucher Brothers Lumber Ltd.

Roy Helmkay
Pope & Talbot Ltd.

Terry Hermary
Hermary Opto Electronics

Raymond Hotte
Laboratoires Buckman du Canada Ltée

Nicol Houde
Produits forestiers Petit Paris inc.

Michel Huard
Félix Huard Inc.

Yvon Hubert
Comact Inc.

Ron Humting
Nose Creek Forest Products Corp.

Gilles Jeanrie
Abitibi-Consolidated Inc.

Ken Kalesnikoff
Kalesnikoff Lumber Co. Ltd.

Mike Knerr
USNR

Réjean Lachance
Simon Lussier Ltée

John Lambie
Abitibi-Consolidated Inc.

Phil Latos
Weyerhaeuser Company Ltd.

Yves Latour
Les Produits forestiérs Bellerive Ka'N'Enda Inc.

Thomas Laurenzi
Delmhorst Instrument Co.

Marcel Lauzon
Marcel Lauzon Inc.

Donald Lebel
Bowater Produits forestiers du Canada Inc.

Guy Leclerc
Max Meilleur & Fils Ltée

Douglas Ledwidge
Ledwidge Lumber Company Limited

Richard Lemaire
Séchoirs Kingsey Falls inc.

Technical Advisory Committees *(continued)*

Mario Lemay
Scierie P.H. Lemay & Fils Ltée

Stéphane Lesage
Baronet Inc.

Gustave Levesque
Scierie SerDam Inc.

Ian Lindsay
Tolko Industries Ltd.

Ken Lloyd
Abitibi-Consolidated Inc.

Bill Love
Tembec Industries Inc.

Bruce Luxmoore
Tolko Industries Ltd.

Peter MacQuarrie
Nova Scotia Department of Natural Resources

Tony Madia
Canadian Forest Products Ltd.

Norbert Maltais
Scieries Chaleur

Stewart Marcoux
Domtar inc.

Raynald Martel
Scierie Martel Ltée

Greg Mayden
Millar Western Forest Products Ltd.

John McArthur
Lytton Lumber Ltd.

Ritch McDonald
Carmanah Design & Manufacturing Inc.

Barry McKinney
Tolko Industries Ltd.

Lois McNabb
BC Ministry of Forests and Range

Robert McRae
McRae Lumber Company Ltd.

Fred Meier
Manitoba Conservation

Christian Meilleur
Max Meilleur & Fils Ltée

Jean-François Mérette
Domtar inc.

Réjean Mérette
Les Machineries Tanguay inc.

Pat Mertz
Dunkley Lumber Ltd.

Gilles Michaud
Multibois 9063-4221 Québec Inc.

Tom Miller
Diacon Technologies Ltd.

Barry Mjolsness
Spray Lake Sawmills (1980) Ltd.

Pierre-Paul Moisan
Eloi Moisan Inc.

Ron Mostowich
Mostowich Lumber Ltd.

Bill Mundie
West Fraser Mills Ltd.

Wolfgang Obieglo
Weyerhaeuser Company ltd.

Russell Odendahl
Canadian Forest Products Ltd.

Ken Ogg
Gordon Buchanan Enterprise Ltd.

Ryan Oliver
Tolko Industries Ltd.

Hans Pedersen
Bowater Produits forestiers du Canada Inc.

Elieude Pelletier
Doucet Machineries Inc.

Jean-Sébastien Pelletier
Industries Maibec Inc.

Donald Perreault
Les Sechoirs de l'Est

Réal Perreault
Conception R.P. Inc.

René Perreault
Les Aciers J.P. inc.

Roger Perry
Western Forest Products

Jan Pesek
MPM Engineering Ltd.

Rejeanne Pouliot
Quebec Ministry of Natural Resources and Wildlife

Ramin Refahi
Weyerhaeuser Company Ltd.

Chad Renzie
Canadian Forest Products Ltd.

Jim Richard
Business New Brunswick

Daniel Rondeau
Cathild Inc.

Jocelyn Rondeau
Séchoir MEC

André Rouleau
Gestofor Inc.

François Rouleau
Quebec Ministry of Natural Resources and Wildlife

Toomas Ruberg
Weyerhaeuser Company Ltd.

François Saillant
Natural Resources Canada (CFS)

Aubrey Salon
Downie Timber Ltd.

Vince Santilli
Nova Scotia Department of Natural Resources

Real Savard
Abitibi-Consolidated Inc.

Jean-Claude Savoie
Groupe Savoie

Chris Schischikowsky
Vanderwell Contractors (1971) Ltd.

Benoit Schmitt
Industries Maibec Inc.

François Seguin
Bois Daaquam Inc.

Avtar Sidhu
Diacon technologies Ltd.

Manon Simard
Scierie Lac St-Jean inc.

Les Sluggett
Quetico Industries Corp.

Petr Smetanka
Fontaine Inc.

Alan Smythe
Downie Timber Ltd.

Mark Speers
Ontario Ministry of Natural Resources

Donald Starr
Weyerhaeuser Company Ltd.

Eddy Ste-Croix
Sawquip International Inc.

Ray Stevens
Coe Newnes/McGehee

Sylvain St-Hilaire
Scies BGR Inc.

Danny Stosik
Iroko Cana Inc.

Garrie Styan
Tolko Industries Ltd.

Bruce Sutherland
WOLFTEK Industries Inc.

Ted Szabo
Alberta Innovation and Science

Charles Tardif
Industries Maibec Inc.

Jim Thompson
Tolko Industries Ltd.

Jim Todd
Weyerhaeuser Company Ltd.

Doug Tracey
Gorman Bros. Lumber Ltd.

David Trahan
Abitibi-Consolidated Inc.

Alain Tremblay
Scierie St-Elzear

Jean-Paul Tremblay
Scierie Thomas-Louis Tremblay inc.

Bill Tropper
Tembec Industries Inc.

Cliff Tuttle
Pope & Talbot Ltd.

Gaetan Vallee
Produits Forestiers Saguenay Inc.

Bill Van Bergeyk
Federated Co-operatives Limited

Gerry Vandergaag
West Fraser Mills Ltd.

Jean-Luc Vigneault
Vexco Inc.

Ed Wagner
Wagner Electronic Products Inc.

Mike Watson
Tolko Industries Ltd.

Blaine Wickerson
Prestige Railings & Stairs Ltd.

Debbie Wilkie
Saskatchewan Ministry of Industry and Resources

Dwight Wilson
Pope & Talbot Ltd.

Robert Wingrove
Mill & Timber Products Limited

Marc Yergeau
Bois Hunting Inc.

Gary Zecchel
Tolko Industries Ltd.

Building Systems

Chair
Claude Lamothe
Abitibi-Consolidated Inc.

Vice-Chair
Stewart Garden
Canadian Forest Products Ltd.

Michael Adams
Huntsman International (Canada) Corporation

Kevin Archer
Chemical Specialties Inc.

Real Arsenault
Manning Diversified Forest Products Ltd.

Daniel Asselin
Nacan Products Limited

Pierre Audet
Boise Cascade AllJoist Ltée

Cliff Baker
Timber Specialties Ltd.

Jocelyn Baker
Manitoba Conservation

Nigel Banks
Arch Wood Protection Canada Corp.

Keith Barrett
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